

2024 Regular Session

HOUSE BILL NO. 700

BY REPRESENTATIVE DESHOTEL

UTILITIES: Provides relative to broadband

1 AN ACT

2 To amend and reenact R.S. 51:2370.32 and to enact R.S. 51:2370.33(E), Subpart C of Part
3 VI-C of Chapter 39 of Title 51 of the Louisiana Revised Statutes 1950, to be
4 comprised of R.S. 51:2370.41, and Subpart D of Part VI-C of Chapter 39 of Title 51
5 of the Louisiana Revised Statutes 1950, to be comprised of R.S. 51:2370.51, relative
6 to broadband; to provide for reimbursement for grantees; to provide for failure to
7 preform protocols; to provide for the "Granting Unserved Municipalities Broadband
8 Opportunities 3.0" program; to provide for the "Granting Unserved Municipalities
9 Broadband Opportunities 4.0" program; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 51:2370.32 is hereby amended and reenacted and R.S. 2370.33(E)
12 is hereby enacted to read as follows:

13 §2370.32. Reimbursement for grantees

14 ~~Reimbursements of eligible costs shall be made by percentage of total project~~
15 ~~costs expended: ten percent, thirty-five percent, sixty percent, eighty-five percent,~~
16 ~~and the final fifteen percent payment shall not be paid without an approved~~
17 ~~completion report. Invoice for final payment shall be submitted within ninety days~~
18 ~~of a completion date. All invoices are subject to audit for three years from the~~
19 ~~completion date.~~ GUMBO 2.0 awards will be made on a fixed-award subgrant basis,
20 following all requirements of NTIA's modifications to the Uniform Guidance as

1 § 2370.41. GUMBO 3.0

2 In the event there is remaining GUMBO 2.0 funds after the obligation of
3 infrastructure funds, the office shall run a grant program (non-deployment) that will
4 allow state agencies, non-profits, for-profits, academic institutions, planning
5 commissions, and more to avail of these funds to help address challenges in
6 economic development, workforce development, healthcare, cybersecurity,
7 agriculture, and other sectors and industries of importance to the state of Louisiana,
8 as determined by approval of Volume 2 of Initial Proposal from the office and the
9 Infrastructure and Jobs Act (IIJA), the Broadband Equity, Access, and Deployment
10 (BEAD) Program, and the Notice of Funding Opportunity (NOFO), with an
11 obligation deadline of these funds to be completed no later than December 12, 2024.

12 This program will be designated as "Granting Unserved Municipalities Broadband
13 Opportunities 3.0" and the office will receive the authority to create appropriate rules
14 and scoring criteria.

15 Section 3. Subpart D of Part VI-C of Chapter 39 of Title 51 of the Louisiana Revised
16 Statutes 1950, comprised of R.S. 51:2370.51, is hereby enacted to read as follows:

17 SUBPART D. GRANTING UNSERVED MUNICIPALITIES BROADBAND
18 OPPORTUNITIES 4.0

19 § 2370.51. GUMBO 4.0

20 The office shall have the authority to develop the rules, scoring criteria, and
21 eligibility in the execution of the State's First Digital Opportunity Plan, pending
22 approval from the National Telecommunications and Information Administration,
23 a Sub-Agency of the United States Department of Commerce. This program will be
24 designated as "Granting Unserved Municipalities Broadband Opportunities 4.0".

25 Section 4. The funds for GUMBO 2.0 outlined in Subsection E of R.S. 51:2370.33
26 as enacted by Section 1 of this Act are to be obligated by December 12, 2024 and spent by
27 December 31, 2028.

1 Section 5. The funds for GUMBO 3.0 outlined in R.S. 51:2370.41 as enacted by
2 Section 2 of this Act are to be obligated by December 12, 2024 and to be spent by December
3 31, 2028.

4 Section 6. The funds for GUMBO 4.0 outlined in R.S. 51:2370.51 as enacted by
5 Section 3 of this Act are to be spent by March.1, 2029.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 700 Original

2024 Regular Session

Deshotel

Abstract: Provides relative to broadband.

Present law provides that reimbursements of eligible costs shall be made by percentage of total project costs expended: 10%, 35%, 60%,85%, and the final 15%payment shall not be paid without an approved completion report. Invoice for final payment shall be submitted within 90 days of a completion date. All invoices are subject to audit for three years from the completion date.

Proposed law deletes present law and adds that GUMBO 2.0 awards will be made on a fixed-award subgrant basis, following all requirements of NTIA's modifications to the Uniform Guidance as provided by final rule, with an initial 10% disbursement made upon final grant issuance. The next 10% of the subgrant award shall be provided based on provider certification and the office's verification that ten percent of the eligible locations have been reached. The remaining disbursements shall be given at the thresholds of completion of 35%, 60%, 85%, and the final 100% provided only after verification of 100% deployment to eligible locations, all within the mandatory 48 months maximum deployment timeline or another shorter timeline certified by the applicant.

Proposed law provides that the office of broadband will only disburse funds for completed deployments that comply with the terms included in the successful application and will withhold funds for failure to do so.

Present law provides for if a grant recipient fails to preform.

Proposed law adds that any GUMBO 2.0 subgrantee also subject to deployment obligations elsewhere in this state, including from programs such as the Rural Digital Opportunity Fund, the Enhanced Alternative Connect America Model, the Rural Development Broadband ReConnect Program, or any other similar program included in the BEAD de-duplication process, must make an enforceable commitment as part of its GUMBO 2.0 subgrant agreement not to default or otherwise fail to fulfill any such deployment obligation in this state.

Proposed law provides that the penalty for breach of this commitment shall be, as reimbursement for funding that could have been awarded but for other federal program funding, payment to the state in the amount equal to the total investment cost of all defaulted locations, as measured by the Eligible Entity tool provided to the state by NTIA.

Proposed law provides that in the event there is remaining GUMBO 2.0 funds after the obligation of infrastructure funds, the office shall run a grant program (non-deployment) that

will allow state agencies, non-profits, for-profits, academic institutions, planning commissions, and more to avail of these funds to help address challenges in economic development, workforce development, healthcare, cybersecurity, agriculture, and other sectors and industries of importance to the state of Louisiana, as determined by approval of Volume 2 of Initial Proposal from the office and the IJA, the BEAD Program, and the NOFO, with an obligation deadline of these funds to be completed no later than December 12, 2024. This program will be designated as "Granting Unserved Municipalities Broadband Opportunities 3.0" and the office will receive the authority to create appropriate rules and scoring criteria.

Proposed law provides that the office shall have the authority to develop the rules, scoring criteria, and eligibility in the execution of the State's First Digital Opportunity Plan, pending approval from the National Telecommunications and Information Administration, a Sub-Agency of the United States Department of Commerce. This program will be designated as "Granting Unserved Municipalities Broadband Opportunities 4.0".

The funds for GUMBO 2.0 outlined in Subsection E of Section 2370.33 of this Act are to be obligated by December 12, 2024 and spent by December 31, 2028.

The funds for GUMBO 3.0 outlined in Section 2370.41 of this Act are to be obligated by December 12, 2024 and to be spent by December 31, 2028.

The funds for GUMBO 4.0 outlined in Section 2370.51 of this Act are to be spent by March 1, 2029.

(Amends R.S. 51:2370.32; Adds R.S. 51:2370.33(E), 2370.41, and 2370.51)